

FOR IMMEDIATE RELEASE:

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Nathaniel P. Ford Sr. | Executive Director/CEO

****PRESS RELEASE******SFMTA Board Approves Central Subway Funding Plan**

Plan to fund \$1.57 billion project with federal, state and local dollars will be submitted to FTA in February

San Francisco—The Board of Directors of the San Francisco Municipal Transportation Agency (SFMTA), which oversees all surface transportation in San Francisco including the Municipal Railway (Muni), approved the financial plan of the Central Subway, Phase 2 of the SFMTA's Third Street Light Rail Project, at its regular meeting yesterday. The Board's approval is an advisory step in anticipation of submitting the plan as part of the Federal Transit Administration's (FTA) New Starts Program in February. The SFMTA is on an active path to achieve a Full Funding Grant Agreement (FFGA) from the FTA by the end of this year.

"Closing the funding gap for the Central Subway Project stems from the commitment of federal, state and local government and community support from the southeast sector of the City to Chinatown," said Mayor Edwin Lee. "This project is vital to connecting our City's civic, business and cultural centers with our diverse communities along the corridor."

"The long-standing support of the federal government and the local communities will ensure the momentum of the Central Subway project," said Tom Nolan, Chairman of the SFMTA Board of Directors. "The scores of riders the Central Subway will serve and the communities it will bring together will ensure its success."

"I am proud to announce that our Agency has closed the project's \$137 million funding gap and continues to be on track to receive the FFGA later this year that will secure \$942.2 million of federal New Starts funding for this project," said Nathaniel P. Ford Sr., SFMTA Executive Director/CEO. "We are deeply gratified by the support of our federal, state and local funding partners and, most importantly, that of the local communities."

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The funding plan illustrates the SFMTA's best means for closing the remaining \$137 million funding gap. It is comprised of federal, state and local fund sources, including committing state bond proceeds from two transportation funding sources. These state bond funds will be directed to the SFMTA by formula. To ensure that the funds flow as needed to keep the project moving forward the SFMTA will continue its ongoing coordination with funding partners: the San Francisco County Transportation Authority, the Metropolitan Transportation Commission, the leadership in Sacramento and the FTA. This collaboration will leverage state and local funds to secure \$942.2 million in federal New Starts funding for this project that would otherwise be unavailable to San Francisco for any other project.

The FFGA is the formal action embodying the Federal Government's financial commitment to the Project, currently projected to be \$942.2 million. A key milestone in the application for the FFGA is the submission of an updated financial plan that identifies all funds that will be committed to the \$1.578 billion project. The SFMTA must present a funding plan that identifies the sources of funding and the amount of funds available for the Project from each source. The SFMTA must provide this to the Federal Transit Administration (FTA) by February.

As of spring 2010, the project faced a remaining shortfall of \$137 million in local funding that needed to be addressed. To address this issue, the SFMTA convened a group of stakeholders (San Francisco County Transportation Authority, Metropolitan Transportation Commission, Mayor's Office, Board of Supervisors, SPUR) to explore funding options. Both the near-term needs of the Central Subway and longer-term capital needs of the Agency were considered as various fund sources were discussed.

The SFMTA is confident that while it is compelled to address the immediate need to identify committed funds to complete the budget in this top priority project, that the Agency's overall capital plan and state of good repair objectives will remain on track. These capital program objectives will be achieved through the continued advocacy and support of our partner agencies and a combination of federal formula funds; future federal, state and local program funds targeting state of good repair needs; and municipal bond issuances. The plan in front of the Board of Directors today reflects these recommendations.

The Central Subway is Phase 2 of the Third Street Light Rail Project. When service begins, this 1.7-mile extension of the existing T Third rail line will connect communities from Visitacion Valley to Chinatown with modern, convenient light rail service. The improved service will decrease transit travel times, relieve congestion, enhance the environment, stimulate economic activity along the corridor and provide thousands of much-needed jobs along the way.

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The project has consistently received positive reviews as part of the FTA's New Starts program. The Central Subway has received \$72 million in New Starts federal funding to date. Environmental clearance of the project was granted by the FTA in November 2008, while approval to begin final design was granted last January. Construction to relocate utilities under 4th Street also began in January 2010. The total project cost (with contingency) is expected to be \$1.57 billion, with the federal government contributing close to \$1 billion.

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Established by voter proposition in 1999, the SFMTA, a department of the City and County of San Francisco, oversees the Municipal Railway (Muni), parking and traffic and taxis. With five modes of transit, Muni has approximately 700,000 passenger boardings each day. Over 35,000 extra vehicles enter San Francisco on any given business day, and rely on the SFMTA to keep the flow of cars, transit vehicles, taxis, delivery trucks, pedestrians and bicycles moving smoothly through the streets.